

Westminster Business Taxes

July 6, 2012



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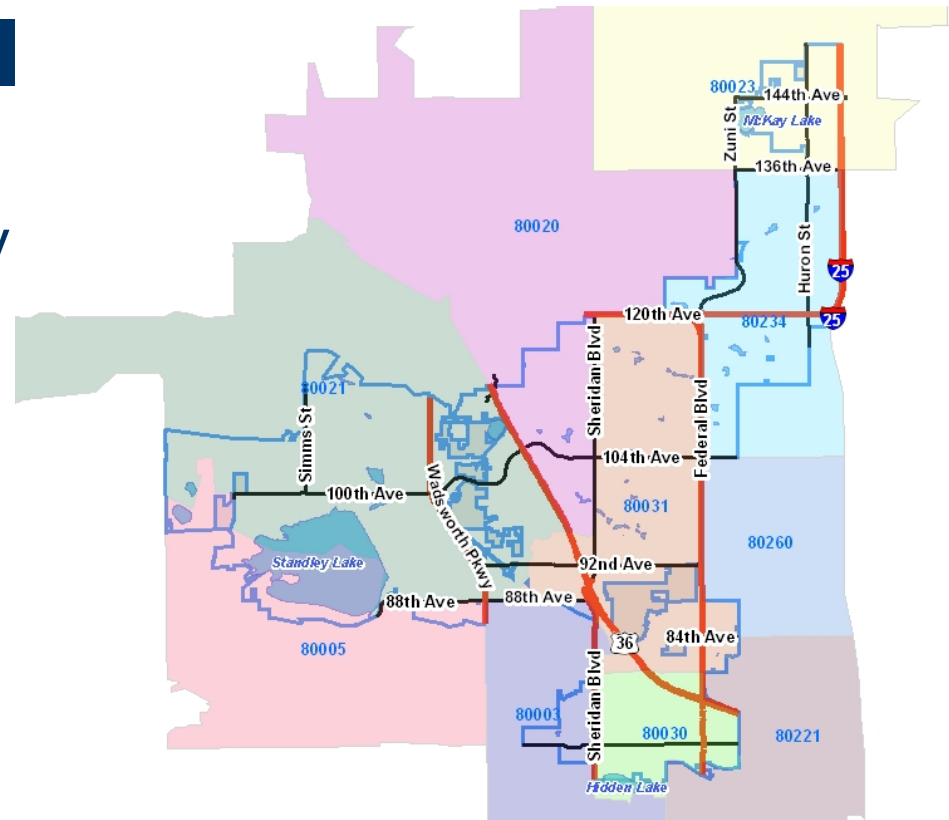
Josh Pens

City of Westminster

Department of Finance

About Westminster

- Population 106,000
- Home Rule Municipality
- 5,324 Licensed Businesses
- Neighboring cities include Arvada, Broomfield, Federal Heights, Northglenn, and Thornton



Primary Tax Resources

- City Website: <http://www.cityofwestminster.us>
 - Choose Business, then Tax and License Toolbox
 - Information: Tax Guides, Municipal Code
 - Forms: Many available as Fill-in PDF
 - Electronic Filing: Sales/Use Returns including EFT
- City Sales Tax Division:
 - Phone: (303) 658-2065
 - E-mail: salestax@cityofwestminster.us
- Colorado Department of Revenue website (<http://www.taxcolorado.com>)

Registration & Licensing

- Every “person” (including corporations, partnerships, and LLCs) engaged in business in Westminster must register and obtain a license
- A license is required even though your business:
 - Does not have a permanent location in the City
 - Does not sell any goods
 - Is a 501(c)(3) charity or other non-profit

Registration & Licensing

- Business Registration form available on Westminster's website
- Completed registration and required supplements can be mailed or faxed to the City Clerk
- There is **no fee** to obtain a business license

Taxes Imposed by Westminster

- Sales & Use Tax (3.85%)
- Admissions Tax (3%)
- Accommodations Tax (7%)
- Others:
 - Liquor & Beer Occupation Tax
 - Telephone Occupation Tax
 - Amusement Device Tax



Sales & Use Tax



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Sales/Use Tax

- Westminster Sales/Use Tax Rate is 3.85% of the purchase price
- Due on all tangible personal property and taxable services purchased, used, consumed, stored, or distributed in the City
- Property purchased strictly for resale is exempt (inventory)

Combined Sales/Use Tax Rates

	Adams	Jefferson
City of Westminster	3.85%	3.85%
Colorado*	2.90%	2.90%
RTD*	1.00%	1.00%
Cultural District*	0.10%	0.10%
Football District*	0.10%	0.10%
County*	0.75%	0.50%
Total	8.60%	8.35%

* Collected by Colorado Department of Revenue

Items Taxed by Westminster

- Pay television
- Gas, electricity, and steam for use in manufacturing, for use in food preparation, and for residential use
- Prepress printing supplies for one time use
- Medical supplies for one time use
- Equipment used in manufacturing
- Freight, delivery, and transportation charges
- Food for home consumption
- Interstate & international telecommunications
- Rental of storage space within the City
- Utilization of “coin operated” devices (taxed as a rental)
- Solar energy systems

Refer to the *Westminster Municipal Code* for a complete list of exemptions

Other Notable Points

- No vendor's fee allowed
- Not all 501(c)(3) organizations are exempt from Westminster tax
- Almost all construction projects are taxed (including work for governments and charitable organizations)
- Most construction use tax is collected from general contractor through permitting processes



When in doubt...

Westminster Municipal Code § 4-1-5(D): When a dispute arises between a retailer and a purchaser who claims that the sale is exempt from tax, the *retailer shall collect* and the purchaser shall remit such tax. The purchaser may then submit a Claim for Refund to the City within sixty (60) days of the date of purchase.

Sales Tax vs. Use Tax

- Sales tax is paid to licensed retailers collecting on behalf of the City
- Use tax is self-assessed and paid directly to the City (Schedule B/Line 8)
- Sales tax is due based upon the point of delivery
- Use tax is due based upon the point of use
- Sales/use tax is due upon each transaction

Common Sources of Use Tax

- Purchases picked up outside the City
- Purchases from out-of-state dealers
- Purchases over the Internet
- Freight, delivery, and handling charges
- Downloads of digital goods
- Items removed from inventory for use
- Complimentary meals
- Bulk business sales

Use Tax Credit



Credit against City use tax is allowed for sales or use taxes provided:

- The tax was previously paid to Westminster or another municipality
- The tax was lawfully imposed

*See Tax Compliance Guide
Topic 353*

Use Tax Credit Example

Cindy purchased \$100 in office supplies from a dealer in Denver. She pays for the supplies and accepts delivery at the Denver location. The dealer charges \$7.62 in tax. Cindy must report \$0.98 in Westminster use tax (\$8.60 tax less \$7.62 credit) on line 8 of her next Westminster sales/use tax return.

Common Use Tax Credit Errors

- Tax was not lawfully imposed
 - Collected based upon point of sale or seller's home jurisdiction
 - Addressing error
 - Payment to an unlicensed dealer
- Credit taken for non-municipal taxes
- Difference remitted to wrong jurisdiction

Accommodations Tax



- 7% excise tax imposed upon the price paid by any person for the use, possession, or right to use rooms or accommodations
- Dedicated to Community Enhancement Program

Admissions Tax

- 3% of the charge for:
 - Admission to a motion picture
 - Admission to an establishment selling beer or liquor
 - Admission to live plant/animal displays
 - Bowling





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Contact Information

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City of Westminster

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Business Hours: Monday through Thursday 7:00a.m. to 6:00p.m. (closed Friday)